

that the interim financing was used for purposes approved by RUS and that the loan meets all applicable requirements of this part.

(e) *Facilities for nonrural areas.* Whenever a borrower proposes to use loan funds for the improvement, expansion, construction, or acquisition of electric facilities for non-RE Act beneficiaries, there is satisfactory evidence that such funds are necessary and incidental to furnishing or improving electric service for RE Act beneficiaries. See § 1710.104.

(f) *Facilities to be included in rate base.* In states having jurisdiction, the borrower has provided satisfactory evidence based on the information available, such as an opinion of counsel, that the state regulatory authority will not exclude from the borrower's rate base any of the facilities included in the loan request, or otherwise prevent the borrower from charging rates sufficient to repay with interest the debt incurred for the facilities. Such evidence may be based on, but not necessarily limited to, the provisions of applicable state laws; the rules and policies of the state authority; precedents in other similar cases; state-ments made by the state authority; any assurances given to the borrower by the state authority; and other relevant information and experience.

§ 1710.152 Primary support documents.

The following primary support documents and studies must be prepared by the borrower for approval by RUS in order to support a loan application:

(a) *Load forecast.* The load forecast provides the borrower and RUS with an understanding of the borrower's future system loads, the factors influencing those loads, and estimates of future loads. The load forecast provides a basis for projecting annual electricity (kWh) sales and revenues, and for engineering estimates of plant additions required to provide reliable service to meet the forecasted loads. Subpart E of this part contains the information to be included in a load forecast and when an approved load forecast is required.

(b) *Construction work plan (CWP).* The CWP shall specify and document the capital investments required to serve a borrower's planned new loads, improve

service reliability and quality, and service the changing needs of existing loads. The requirements for a CWP are set forth in subpart F of this part.

(c) *Long-range financial forecasts.* RUS encourages borrowers to maintain on a current basis a long-range financial forecast, which should be used by a borrower's board of directors and manager to guide the system toward its financial goals. The forecast submitted in support of a loan application shall show the projected results of future actions planned by the board of directors. The requirements for a long-range financial forecast are set forth in subpart G of this part.

(d) *Borrower's environmental report (BER).* This document is used to determine what effect the construction of the facilities included in the construction work plan will have on the environment. In developing a BER a borrower shall follow the policy and procedural requirements set forth in 7 CFR part 1794. After reviewing the BER, RUS will determine whether additional environmental studies will be required.

[57 FR 1053, Jan. 9, 1992, as amended at 65 FR 14786, Mar. 20, 2000]

§ 1710.153 Additional requirements and procedures.

Additional requirements and procedures for obtaining RUS financial assistance are set forth in 7 CFR part 1712 for loan guarantees, and in 7 CFR part 1714 for insured loans.

§§ 1710.154–1710.199 [Reserved]

Subpart E—Load Forecasts

SOURCE: 65 FR 14786, Mar. 20, 2000, unless otherwise noted.

§ 1710.200 Purpose.

This subpart contains RUS policies for the preparation, review, approval and use of load forecasts and load forecast work plans. A load forecast is a thorough study of a borrower's electric loads and the factors that affect those loads in order to estimate, as accurately as practicable, the borrower's future requirements for energy and capacity. The load forecast of a power supply borrower includes and integrates the load forecasts of its member